



JON S. CORZINE  
*Governor*

*State of New Jersey*  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
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ANNE MILGRAM  
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August 6, 2008

**VIA EMAIL AND HAND DELIVERY**

Honorable Catherine M. Langlois, P. J. Ch  
Superior Court of New Jersey - Morris County  
Chancery Division, General Equity Part  
Morris County Courthouse  
Washington & Court Streets  
Morristown, New Jersey 07963-0910

Re: Anne Milgram, et al. vs. Celebration Studios, Inc., et al.  
Docket No.: MRS-C-7-08

Dear Judge Langlois:

This office represents Plaintiffs Anne Milgram, Attorney General of the State of New Jersey, and David M. Szuchman, Director of the New Jersey Division of Consumer Affairs<sup>1</sup> (collectively, the "State"), in the above-referenced action, commenced following the abrupt closure of the wedding photography and videography business operated by Celebration Studios, Inc. ("Celebration Studios") and its principal, Marc S. Schwartz ("Schwartz") (collectively, "Defendants"). Pursuant to Your Honor's request, the State provides this submission: (1) to summarize the proceedings to date, as well as the State's efforts to secure merchandise and identify affected consumers; (2) to address the propriety of this action remaining in the Chancery Division, as well as copyright and other relevant legal issues; and (3) outline a proposal for the ultimate resolution of the third party (*i.e.* photographer/videographer) claims and the ultimate distribution of merchandise to consumers.

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<sup>1</sup> This action was commenced on behalf of Attorney General Anne Milgram and Lawrence DeMarzo, former Acting Director of the New Jersey Division of Consumer Affairs ("Division"). In accordance with R. 4:34-4, the caption has been revised to reflect the current Director of the Division.



**I. Proceedings In The Action To Date:**

On January 18, 2008, the State commenced this action upon the filing of an Order to Show Cause and Verified Complaint against Defendants, alleging violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA") and the Regulations Governing General Advertising Practices, N.J.A.C. 13:45A-9.1 et seq. ("Advertising Regulations"). Upon the filing, the Court granted the State's request for ex parte temporary restraints prohibiting the Defendants' dissipation of assets, as well as requiring Defendants to retain books and records. On the January 25, 2008 return date, the Court issued an Order (the "January 25 Order") that: (1) preliminarily enjoined Defendants' disposition of merchandise relating to the provision of photography and videography services, as well as assets, books and records; (2) provided for the State's impound of all merchandise; (3) froze all of Defendants' assets; and (4) preliminarily enjoined third parties (i.e. photographers, videographers and album manufacturers) from transferring or disposing of any merchandise.

On March 12, 2008, the State filed a motion to impound all merchandise in the possession of third parties as well as to commence distribution of merchandise to consumers. Eleven (11) photographers/videographers opposed the motion, contending that since Celebration Studios failed to pay them for certain weddings, the resultant photographs or videos remained their copyrighted material.<sup>2</sup> On the April 11, 2008 return date, the Court indicated that the record did not contain sufficient information as to the number of weddings for which the photographers/videographers sought payment, as well as sufficient legal discussion as to the copyright issue. The Court also expressed concern that the State's request to commence the distribution of merchandise comprised the ultimate relief against the Defendants, who had not entered an appearance in this action. The Court thus reserved decision and scheduled another hearing for June 13, 2008. At the State's request, the hearing was adjourned to July 18, 2008, among other things, to afford an opportunity to explore the possibility of a global resolution of the action. The Court adjourned the July 18<sup>th</sup> return date to August 22, 2008 and requested that prior to that time, the State furnish this submission.

On August 4, 2008, the State filed a motion: (1) to impound the completed photo albums in the possession of Capri Album Company, Inc. ("Capri"); and (2) to permit Capri to contact consumers whose photo albums are not complete to offer to complete the work or to return the photographs. This motion is returnable August 22, 2008.

**II. The State's Efforts Post-Filing:**

As detailed below, the State has expended significant resources since the commencement of this action, among other things, to preserve the impounded merchandise and identify affected

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<sup>2</sup> The following photographers/videographers submitted opposition to the State's motion: Anthony Juliano, Bob Kempner, Kwi Hoon Lee, Jay Li, Changxin (Roger) Liu, Jason McCammon, Max Pasion, Nefeli Soteriou, Sarah Strickland, Yick Tong and William West.

consumers. Additionally, the State has attempted to identify all third parties still in possession of merchandise (i.e. photos, videos and photo albums) as well as to identify those consumers who have received credit card charge backs due to Defendants' non-delivery of the contracted-for wedding photographs and/or videos.

**A.     **Organization Of Impounded Merchandise  
          And Identification Of Affected Consumers:****

In the days immediately after the Court's issuance of the January 25 Order, the State took possession of all merchandise (i.e. photographs, DVDs, videos and photo albums) as well as the computers, books and records found in the Celebration Studios' Clifton, New Jersey warehouse. Over the past months, the State has been engaged in the inventory and organization of the impounded merchandise. Through this effort, which has been a significant undertaking, the State has identified merchandise belonging to approximately 3,640 consumers whose weddings occurred from July 1997 to January 2008.

Since the filing, the Division has received 1,643 complaints from affected consumers: 1,346 consumers entered into contracts with Celebration Studios and received photography/videography services for weddings that occurred prior to its closure, while 297 consumers contracted with Celebration Studios for post-January 2008 weddings for which they received no services. Where necessary, the Division has contacted the consumers to obtain supporting documentation (e.g. contract and payment).

**B.     **Identification of Third Parties In The  
          Possession of Merchandise And/Or  
          Otherwise Claiming An Interest In Merchandise:****

Following the Court's issuance of the January 25 Order, the State undertook efforts to identify any third party that might be in possession of merchandise related to the Defendants' provision of wedding photography and videography services. The State identified a group of photographers/videographers who performed work for Celebration Studios, but were still in possession of merchandise. As noted above, certain photographers/videographers have refused to turn over such merchandise to the State, on the basis that Celebration Studios failed to remit payment for the work. From the oppositions submitted to the State's motion to impound, it also appears that certain photographers/videographers had turned over photographs or videos to Defendants, but due to non-payment, now allege that they retained the copyright in such merchandise, and that distribution should be prohibited consumers.

On July 17, 2008, the Division forwarded a questionnaire to 70 photographers/videographers who the Division identified as having performed work on behalf of Celebration Studios.<sup>3</sup> The Division forwarded the questionnaire again on July 30, 2008. Through this process, the State attempts to identify those photographers/videographers who had not been paid by Celebration Studios, the particular weddings for which they were not paid, the outstanding payment, as well as whether the merchandise related to the wedding is still in their possession. To date, the Division has received completed questionnaires from the following 22 photographers/videographers: Accucolor Labs, Inc., Alan Abley, Richard Adrion, Yasmin Acevedo, Ed Bonacorsi, Timothy Camuso, Justin R. Cristaldi, Mike DeProsopo, Jeffrey Kay, Bob Kempner, Kwi Hoon Lee, Michael Lombardi, Terence Lyons, James Geoffrey Malta, Steve Moore, Dennis Nguyen, Brad Racino, Rita Rojas, Jamee Silenzio, Michelle Smith, Sarah Strickland, and Yick Tong, Jr.<sup>4</sup> It is necessary for the Division to follow-up with certain of these individuals to obtain, among other things, supporting documentation.

Shortly after the filing, the State became aware that Capri was one of the photo album manufacturing companies that processed orders for Celebration Studios. After the filing of the State's motion to impound, we engaged in discussions with Capri's counsel, Elliott Joffe, Esq. of Newman & Simpson, LLP. Ultimately, Capri proposed to forward to the State the 19 completed photo albums in its possession and to directly contact consumers to offer to complete the remaining 219 photo albums at the wholesale price. The State is supportive of Capri's proposal and as noted, above, has submitted a motion seeking Court approval.

Within the last few weeks, we have been advised that Albums Unlimited, another album manufacturer, performed work for Celebration Studios. We contacted a representative of the company, who has confirmed that it is in possession of two (2) completed photo albums and approximately 33 unfinished photo albums. We have conveyed a proposal similar to that agreed upon with Capri and await the company's response.

**C. Identification Of Consumers Who  
Have Received Credit Card Charge Backs:**

After the filing, the State was contacted by representatives of Elavon (formerly NOVA Information Systems, Inc.) and Merchant e-Solutions, Inc. ("Merchant e-Solutions"), companies that processed credit cards for Celebration Studios. Both companies represented that they had provided credit card charge backs to consumers who had contracted with Defendants on the basis of: (1) non-delivery of merchandise for weddings that occurred; or (2) services not rendered for weddings

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<sup>3</sup> A copy of the cover letter and questionnaire are attached as Exhibit A.

<sup>4</sup> But for Accucolor Labs, Inc., Terence Lyons and Jamee Silenzio, the above-referenced photographers/videographers indicated that Celebration Studios did not pay them for certain weddings.

scheduled post-January 2008. Elavon provided the State with a list identifying those consumers who received charge backs and the amount thereof. Within the last two (2) days, the State has received supporting documentation from Elavon. We anticipate receipt of an identification of consumers and the charge back amounts from Merchant e-Solutions by Monday, August 8, 2008.

As noted above, the photographers/videographers opposed the State's motion to impound and distribute, among other things, on the basis that certain consumers had received credit card charge backs and thus, should be required to pay for merchandise prior to distribution. Consequently, on July 16, 2008 and again, on July 30, 2008, the Division forwarded to 1,306 consumers<sup>5</sup> a questionnaire that seeks the following information and supporting documentation as to: (1) the photography/videography services purchased; (2) the merchandise, if any, received; (3) payments made; and/or (4) the amount of any credit card charge backs and/or other refunds.<sup>6</sup> To date, the Division has received 684 questionnaire responses.<sup>7</sup> The Division is in the process of reviewing this information, which will include a cross-reference to the information furnished by the photographers/videographers who responded to the Division's questionnaire as well as to the charge back information provided from Elavon and anticipated from Merchant e-Solutions.

### **III. The Chancery Court Remains The Proper Forum For The Adjudication Of This Action:**

By the January 25 Order, the Court, among other things, granted the State's request for preliminary injunctive relief which included any third parties in possession of merchandise relating to Defendants' provision of photography and videography services and an asset freeze as well as an impound of all merchandise in Defendants' possession. Although the State has obtained the emergent relief requested, the Chancery Court remains the appropriate forum for the final adjudication of this action.

In a Guidebook to Chancery Practice in New Jersey, (6<sup>th</sup> ed., 2005 NJ ICLE, Hon. William A. Drier, P.J.A.D. (Ret.) & Paul A. Rowe), the authors set forth the maxims that underlie equity practice. Among those maxims is "equity suffers no right to be without a remedy." See Guidebook to Chancery Practice at 2. Expounding on this maxim, the authors cite Justice Heher in Sears Roebuck & Co. v. Camp, 124 N.J. Eq. 403, 411-12 (citation omitted), to state that "equitable

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<sup>5</sup> It is the State's intention to forward questionnaires to the 297 consumers whose weddings were scheduled to occur post-January 2008 and who received no services from Defendants.

<sup>6</sup> A copy of the cover letter and questionnaire is attached as Exhibit B.

<sup>7</sup> Approximately 40 consumers have obtained questionnaires from other sources and have forwarded them to the Division along with a consumer complaint.

remedies are distinguished for their flexibility. . . adaptability. . .” and that the court of equity has the power to shape a remedy to fit “the complex relations of all the parties.”

**A. The State’s Requested Relief Under the  
CFA Is Essentially Equitable In Nature:**

The State commenced this action seeking redress for Defendants’ violations of the CFA and Advertising Regulations on behalf of the consumers who had not received their contracted for merchandise or consumers who would not receive any photography or videography services for their post-January 2008 weddings. The CFA focuses on commercial deception in consumer transactions and provides, in pertinent part:

The act, use or employment by any person of any unconscionable commercial practice, deception, fraud, false pretense, false promise, misrepresentation, or the knowing[] concealment suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby, is declared to be an unlawful practice . . . .

[N.J.S.A. 56:8-2.]

“[T]he Legislature passed the [CFA] ‘to permit the Attorney General to combat the increasingly widespread practice of defrauding the consumer’.” Cox v. Sears Roebuck & Co., 138 N.J. 2, 14 (1994) (quoting legislative history). “The CFA is intended to protect consumers ‘by eliminating sharp practices and dealings in the marketing of merchandise . . .’” Lemelledo v. Beneficial Mgmt. Corp., 150 N.J. 255, 263 (1997) (citations omitted). The CFA defines “merchandise” as “any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale.” N.J.S.A. 56:8-1(c). The photography and videography services and resultant merchandise at issue are clearly “merchandise” within the meaning of the CFA.

As part of the ultimate relief in this action,<sup>8</sup> the State seeks restitution, which CFA defines as:

The court may make such orders or judgments . . . which may be necessary to restore to any person in interest any moneys or property,

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<sup>8</sup> As provided by the CFA, the State’s requested relief also includes permanent injunctive relief (N.J.S.A. 56:8-8), civil penalties (N.J.S.A. 56:8-13), and reimbursement of attorneys’ fees and investigative costs (N.J.S.A. 56:8-11 and 56:8-19).

real or personal which may have been acquired by means of any practice herein declared to be unlawful.

[N.J.S.A. 56:8-8.]

Consequently, the restitution for those affected consumers for whom Celebration Studios provided photography and/or videography services will be obtained through the distribution of the photographs, videos and photo albums in the possession of the State, photographers/videographers and/or album manufacturers. The merchandise at issue concerns the tangible form of the consumers' wedding memories and, as such, possesses a unique quality that renders any monetary relief inadequate.<sup>9</sup>

**B. Any Resolution Of The Claims  
Asserted By Third Parties Will  
Require This Court's Intervention:**

By the express language of the CFA, the State's prosecution of this action and requested relief extends only to the consumers who contracted with Defendants. It is apparent, however, that Defendants failed to pay certain photographers/videographers for their services. It is also not yet known to what extent Capri, Albums Unlimited, Elavon and/or Merchant e-Solutions may be seeking relief in connection with this action.

The State has an interest in ensuring that all parties who participate in this action are treated fairly. Thus, the Chancery Court's assistance will be necessary to structure and effectuate any global resolution that will address these divergent interests.

**IV. The Appropriate Relief For The Unpaid  
Photographers/Videographers Concerns  
Breach Of Contract Rather Than Copyright:**

As noted above, the eleven (11) photographers/videographers who opposed the State's motion to impound asserted that they retained the copyright in any photographs or videos for which Celebration Studios failed to remit payment, whether or not such merchandise remained in their possession. However, the State submits that the appropriate relief for the photographers/videographers to address Defendants' failure to compensate them for their work arises under breach of contract. As detailed below, even if the Court agrees that copyright is at issue, the determination of whether a specific photographer/videographer retains such rights requires a case-by-

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<sup>9</sup> As noted above, the Division received 297 complaints from consumers whose weddings were to occur post-January 2008. The extent to which actual restitution is owed to these consumers will be determined, among other things, by reference to the information provided by Elavon and to be provided by Merchant e-Solutions as to credit card charge backs.

case determination.<sup>10</sup> Additionally, the State submits that copyright law, which primarily concerns the rights to commercial reproduction of a work, is ancillary to this action, where the photography or videography services performed were intended for individual consumer use.

**A. The Photographer/Videographer  
Claims Demonstrate a Breach Of Contract:**

It appears that in the normal course of business, Defendants enlisted the services of photographers/videographers by means of a "Celebration Studios Assignment Sheet" (copies of which are attached as Exhibit C). The document included the following language:

**Work for Hire Terms:**

By accepting this work order, you agree to fulfill the above assignment from Celebration Studios, Inc. with a quality and friendly performance. You also agree to be prompt, and to work in accordance with the exact stipulations noted on this agreement. In consideration for work sub-contracted for Celebration Studios, Inc., you agree to [sic] responsible in the event of financial loss to Celebration Studios, Inc. due to any negligence on your part. At all times, any pictures taken and/or video footage taken are the exclusive property of Celebration Studios.

[See id.]<sup>11</sup>

To the best of the State's understanding, shortly after each wedding, the photographer/videographer forwarded to Defendants the photographs or raw video tape along with an invoice for payment. Defendants would then work with the consumers to finalize the photographs and videos. It appears that while Celebration Studios remained in operation, the photographers/videographers had no objection (whether on the basis of copyright or otherwise) to transferring to Defendants the photographs or videos prior to receiving payment. It appears that photographers/videographers began to retain merchandise as Defendants' failure to remit payment became chronic. Under that scenario, it would appear that both parties were in breach of their contractual agreement. Notably, a number of photographers/videographers acknowledged to the Court during the April 11<sup>th</sup> hearing that they are willing to relinquish the merchandise in their possession in return for payment.

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<sup>10</sup> Any action by a photographer/videographer to adjudicate any issues under the Copyright Act of 1976, 17 U.S.C.A. §101 et seq., is subject to the exclusive jurisdiction of the federal court pursuant to 28 U.S.C.A. §1338(a).

<sup>11</sup> One of the "Celebration Studios Assignment Sheets" includes slightly different language.



**B. The Court Need Not Address  
Copyright Issues, As Such  
Are Ancillary To This Action:**

As set forth above, the photographers/videographers argue that due to the Defendants' failure to make payment, they maintain copyright in certain merchandise. Copyright is a intangible property right, intended to "promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries." See U.S. Const. Art. I, §8 cl. 8. Copyright protects the author's reproduction rights by establishing ownership of those rights. Ownership of a work vests initially in the author or authors of that work. See 17 U.S.C.A. §201(1). Under a work for hire agreement, the "employer or other person for whom the work was prepared is considered the author. . ." See 17 U.S.C.A. §201(b) (defining work for hire).

To the best of the State's understanding and by the photographer/videographers' own admissions, Defendants and the photographers/videographers intended to enter into a work-for-hire arrangement. (See Exhibit C.) Under such arrangement, ownership of the copyright would transfer to the employer (i.e. Celebration Studios). The Copyright Act of 1976 defines "work made for hire" as:

- (1) a work prepared by an employee within the scope of his or her employment; or
- (2) a work specially ordered or commissioned for use as a contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, as an instructional text, as a test, as answer material for a test, or as an atlas, if the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire. . . . .

[See 17 U.S.C.A. §101(1) and (2).]

To determine whether a work is a work made for hire, a court must first decide the context in which the work was created. Community for Creative Non-Violence v. Reid, 490 U.S. 730, 751 (1989). In Reid, the Supreme Court held that a work made for hire arrangement could arise in one of two contexts: "one for works prepared by employees, the other for those specially ordered or commissioned works which fall within one category of nine enumerated works and are the subject of a written agreement." See Reid 490 U.S. at 741.

In interpreting "employee," the term "must be understood in the light of the general common law of agency" and any "classification of a party should be made with reference to agency law." Reid at 741, 743. Such interpretation requires an analysis regarding the hiring party's right to "control the manner and means" in which the work is created and a host of factors (including: the

skill required; the source of the instrumentalities and tools; the location of the work; the duration of the relationship between the parties; whether the hiring party has the right to assign additional projects to the hired party; the extent of the hired party's discretion over when and how long to work; the method of payment; the hired party's role in hiring and paying assistants; whether the work is part of the regular business of the hiring party; whether the hiring party is in business; the provision of employee benefits; and the tax treatment of the hired party) should be included in that analysis. See id. at 751. The Court also held that "no one of these factors is determinative." Id. (citations omitted).

Thus, to determine whether the photographers/videographers were employees or independent contractors of Celebration Studios would require an extensive factual analysis and review of the relationship between each photographer/videographer and the Defendants, as well as a review of any and all documents executed between them. If it were determined that a photographer/videographer was an employee of Celebration Studios, the copyright would transfer to the company. If it were determined that a photographer/videographer was an independent contractor, a further determination as to whether the merchandise falls into one of the nine categories enumerated in section 101(2) would be necessary. The State submits that such an extensive, time-consuming analysis is unnecessary in this action in view of the settlement proposal outlined below.

Furthermore, even if it were determined that copyright remained with any of the photographers/videographers, copyright ownership is relevant to the question of who has reproduction rights. While that may be an issue in the present action to the extent that a consumer may wish, at some point in the future, to reproduce the merchandise (e.g., whether, five years from now, a couple may have additional copies of their wedding photographs made to include in the photo album of their first child), it is not determinative of the ownership of the actual merchandise, since copyright is an intangible right protecting reproduction not the thing itself.

#### **V. The State's Settlement Proposal:**

The State recognizes that the Defendants' cessation of their business operations have had an impact on consumers as well as the photographers/videographers and other third parties with which the company dealt. The State also recognizes that participation in a resolution in the context of this action may provide the only potential recovery for these parties. The State has discussed the general parameters of a global settlement with representatives of the Defendants as well as the photographers/videographers which includes:

- (1) Defendants' assignment to the State of their interest (including copyright) in the merchandise;
- (2) Photographers/videographers relinquish any merchandise in their possession to the State and provide a release of any copyright claim;
- (3) All consumers who received credit card charge backs and/or other refunds will be required to pay the following, as appropriate, prior to receipt of

- merchandise: (a) \$500.00 - First Photographer; (b) \$250.00 - Second Photographer; and (c) \$450.00 - Videographer;
- (4) All payments referenced in (3) will be made into an Escrow Account maintained by the Division;
  - (5) Within 30 days of the entry of the settlement the State will provide notice to any consumer who contracted with Celebration Studios for a wedding post-January 2008 (who did not receive a credit card charge back), as well as any photographer/videographer or other third party affording them an opportunity to submit a claim for payment out of the Escrow Fund, with submission of appropriate supporting documentation, or to opt out of the process; and
  - (6) Once such claims are submitted, the State will apply to the Court for an Order determining the pro-rata distribution to the consumers and third parties as well as an Order for distribution of merchandise to consumers. The State will provide direct notification of such distribution to consumers, where possible, and will also provide notice by publication.

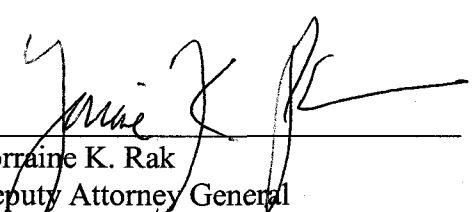
**VI. Conclusion:**

Since the inception of this action, the State has expended significant personnel and other resources to take possession of and inventory the extensive merchandise found in the Celebration Studios warehouse, to identify affected consumers, photographers/videographers and other interested third parties, to gather supporting documents and to circulate questionnaires to consumers as well as photographers/videographers. Throughout this process the State has taken great care to protect the precious memories of those consumers who entrusted Defendants to preserve the memory of a truly significant day through photographs and videos. The global settlement that the State proposes endeavors to address the concerns of all interested parties and to facilitate the distribution of merchandise to affected consumers. The State is appreciative of the Court's assistance in this regard.

Respectfully submitted,

ANNE MILGRAM  
ATTORNEY GENERAL OF NEW JERSEY

By: \_\_\_\_\_

  
Lorraine K. Rak  
Deputy Attorney General  
Chief, Consumer Fraud Prosecution

c: Mark S. Schwartz  
Persons on Attached Service List

## **EXHIBIT A**



JON S. CORZINE  
Governor

## New Jersey Office of the Attorney General

Division of Consumer Affairs  
Office of the Director  
124 Halsey Street, 7<sup>th</sup> Floor, Newark, NJ 07102



ANNE MILGRAM  
Attorney General

DAVID SZUCHMAN  
Director

**Mailing Address:**  
P.O. Box 45027  
Newark, NJ 07101  
(973) 504-6534

July 17, 2008

### VIA E-MAIL

Re: Anne Milgram, et al. v. Celebration Studios, Inc., et al.

Dear Photographer/Videographer:

In late January 2008, the State brought suit against Celebration Studios, Inc. and its principal, Marc S. Schwartz, arising from the business' abrupt closure earlier that month. This situation left hundreds of couples without their contracted for wedding photographs and/or videos. In order to make certain that this merchandise was secure, the State sought and obtained an order to impound the merchandise within the Celebration Studios warehouse in Clifton, New Jersey.

During this process, the State became aware that certain photographers and videographers who performed work for Celebration Studios were still in possession of merchandise. The State's application for a turn over of such merchandise was opposed by photographers/videographers who represented that they had not received payment from Celebration Studios for certain work.

At the Court's direction, the State is attempting to identify those photographers/videographers who had not been paid by Celebration Studios, as well as the particular weddings for which they were not paid, the outstanding payment, as well as whether the merchandise related to the wedding is still in their possession. To assist us in this effort, we ask that you complete the attached questionnaire and provide copies of the requested documents.

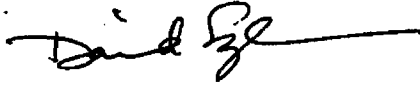
We ask that the documentation be emailed to [ocpcor@dca.lps.state.nj.us](mailto:ocpcor@dca.lps.state.nj.us), faxed to (973) 648-4595 or forwarded by mail to:

New Jersey Division of Consumer Affairs  
Office of Consumer Protection  
P.O. Box 45025  
Newark, New Jersey 07101  
Attention: Ray Yee

Page Two  
July 17, 2008

We request that the information be provided by July 28, 2008. If you have any questions, please contact Ray Yee or Tony Brennan at (973) 504-6200.

Sincerely,

A handwritten signature in black ink, appearing to read "David Szuchman", with a long horizontal line extending to the right.

David Szuchman  
Director

Enclosure

**ANNE MILGRAM, ET AL. V. CELEBRATION STUDIOS, INC., ET AL.**

**PHOTOGRAPHER/ VIDEOGRAPHER QUESTIONNAIRE**

PRINT NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DAYTIME/WORK TELEPHONE #: \_\_\_\_\_

EVENING TELEPHONE #: \_\_\_\_\_

CELL PHONE #: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

1. Indicate which services Celebration Studios contracted with you to provide:

- ☐ Photography  
☐ Videography  
☐ Video Editor  
☐ Other (please describe) \_\_\_\_\_

2. Are there weddings for which you provided services for Celebration Studios for which you have not received payment? Yes \_\_\_\_\_ No \_\_\_\_\_

3. If you have answered "Yes" to Question No. 2, identify each of the weddings for which you have not received payment as follows:

Bride/Groom	Wedding Date	Work Performed	Payment Owed
_____	_____	_____	_____
Bride/Groom	Wedding Date	Work Performed	Payment Owed

<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Work Performed</b>	<b>Payment Owed</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Work Performed</b>	<b>Payment Owed</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Work Performed</b>	<b>Payment Owed</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Work Performed</b>	<b>Payment Owed</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Work Performed</b>	<b>Payment Owed</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Work Performed</b>	<b>Payment Owed</b>

\* Add additional sheets of paper, as necessary.

4. For each of the weddings listed above, provide copies of the following: (a) Celebration Studios Assignment Sheet; (b) Invoices; (c) if partial payment received by Celebration Studios, proof of such payment (i.e. bank statements); (d) any checks provided by Celebration Studios, but returned for insufficient funds; and (e) any communication with Celebration Studios requesting payment.
5. Are you currently in possession of any photographs, videos, etc. that you prepared in connection with weddings for which you provided services for Celebration Studios? Yes \_\_\_\_\_ No \_\_\_\_\_
6. If you have answered "Yes" to Question No. 5, please provide the following information:

<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>



<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>

\* Add additional sheets of paper, as necessary.

7. Have you provided Celebration Studios with photographs and/or videos you had taken in connection with weddings for which you had not received payment?  
Yes \_\_\_\_\_ No \_\_\_\_\_

8. If you have answered "Yes" to Question No. 7, please provide the following information:

<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>

<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>

\* Add additional sheets of paper, as necessary.

9. Have you received any direct payment from brides/grooms for merchandise for which you have not received payment from Celebration Studios?

Yes \_\_\_\_\_ No \_\_\_\_\_

10. If you have answered "Yes" to Question No. 9, please provide the following information:

<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>	<b>Payment</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>	<b>Payment</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>	<b>Payment</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>	<b>Payment</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>	<b>Payment</b>
<b>Bride/Groom</b>	<b>Wedding Date</b>	<b>Merchandise</b>	<b>Payment</b>

\* Add additional sheets of paper, as necessary.

11. Have you filed any complaint or commenced any other proceeding against Celebration Studios and/or Marc S. Schwartz to recover any outstanding payments?

Yes \_\_\_\_\_

No \_\_\_\_\_

12. If you have answered "Yes" to Question No. 11, for each action/proceeding state: (a) the court and/or docket number; (b) whether you have obtained a judgment or other final disposition; (c) whether you have actually recovered any money or property.

13. Please provide any additional comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

## **EXHIBIT B**



**JON S. CORZINE**  
Governor

## ***New Jersey Office of the Attorney General***

Division of Consumer Affairs  
Office of the Director  
124 Halsey Street, 7<sup>th</sup> Floor, Newark, NJ 07102



**ANNE MILGRAM**  
Attorney General

**DAVID SZUCHMAN**  
Director

**Mailing Address:**  
P.O. Box 45027  
Newark, NJ 07101  
(973) 504-6534

July 16, 2008

### **VIA E-MAIL**

**Re: Anne Milgram, et al. v. Celebration Studios, Inc., et al.**

Dear Consumer:

In late January 2008, the State brought suit against Celebration Studios, Inc. and its principal, Marc S. Schwartz, arising from the business' abrupt closure earlier that month. This situation left hundreds of couples without their contracted for wedding photographs and/or videos. In order to make certain that this merchandise was secure, the State sought and obtained an order to impound the merchandise within the Celebration Studios warehouse in Clifton, New Jersey.

Over the past months, the State has been engaged in the process of identifying the thousands of affected consumers (whether submitted to the Division of Consumer Affairs ("Division") or otherwise) and conducting an inventory and organization of the impounded merchandise. Without doubt, this has been a significant undertaking.

During this process, the State became aware that photographers and videographers who performed work for Celebration Studios had still been in possession of merchandise. The State sought a Court order directing that the photographers/videographers turn over the merchandise. Certain photographers/videographers opposed the State's request, because they had not received payment from Celebration Studios. At the Court's direction, the State is attempting to identify those photographers/videographers who had not been paid, as well as whether and to what extent they are in possession of photographs or videos. After the filing, the State also became aware that certain Celebration Studios customers had been provided with charge backs to their credit cards. We have been working with the credit card processing company to identify the consumers as well as the amount of the charge backs.

Based upon prior Court proceedings, there are certain issues that need to be resolved before the Court will provide the State with the ability to distribute merchandise to you and other affected

Page Two  
July 16, 2008

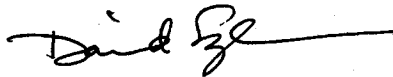
couples. Among other things, the State needs to confirm: (1) which couples paid for their merchandise; and (2) which couples paid, but later received a charge back and/or other refund. To assist us in this effort, we ask that you complete the attached questionnaire and provide any relevant documents.

We ask that the documentation be emailed to: [ocpcom@dca.lps.state.nj.us](mailto:ocpcom@dca.lps.state.nj.us), faxed to (973)648- 4595 or mailed to the following address:

New Jersey Division of Consumer Affairs  
Office of Consumer Protection  
P.O. Box 45025  
Newark, New Jersey 07101  
Attention: Ray Yee

We request that the information be provided by **July 28, 2008**. If you have any questions, please contact at Ray Yee or Tony Brennan at (973)504-6200.

Sincerely,

A handwritten signature in black ink, appearing to read "David Szuchman", with a long horizontal flourish extending to the right.

David Szuchman  
Director

Enclosure

**ANNE MILGRAM, ET AL. V. CELEBRATION STUDIOS, INC., ET AL.**

**CONSUMER QUESTIONNAIRE**

PRINT NAME: \_\_\_\_\_

PRINT MAIDEN NAME: \_\_\_\_\_

WEDDING DATE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

DAYTIME/WORK TELEPHONE #: \_\_\_\_\_

EVENING TELEPHONE #: \_\_\_\_\_

CELLPHONE #: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

1. Indicate which services Celebration Studios was contracted to provide to you:

- ☐ Photography (☐ 1 or ☐ 2 Photographers)
- ☐ Videography
- ☐ Photo Album(s) (☐ Bridal and ☐ Parent)
- ☐ Thank You Items (please describe) \_\_\_\_\_
- ☐ Other (please describe) \_\_\_\_\_

2. Identify by first or full name, your photographer(s) and/or videographer.

Photographer: \_\_\_\_\_

Second Photographer: \_\_\_\_\_

Videographer: \_\_\_\_\_

3. **Indicate the total cost of your Contract for Services with Celebration Studios:**

\_\_\_\_\_

4. **Did you pay the entire contract price?    Yes \_\_\_\_\_ No \_\_\_\_\_**

5. **Indicate the payments you made under the contract. Include the amount and date of each payment:**

- ☐ **Credit Card (indicate type and last four digits of card):** \_\_\_\_\_
- ☐ **Debit Card (indicate type):** \_\_\_\_\_
- ☐ **Check:** \_\_\_\_\_
- ☐ **Cash:** \_\_\_\_\_
- ☐ **Other (please describe)** \_\_\_\_\_

6. **Indicate the services you received under your contract with Celebration Studios:**

- ☐ **Wedding Day Photography Services (☐ 1 or ☐ 2 Photographers)**
- ☐ **Wedding Day Videography Services**
- ☐ **Digital Photo Proof Sheet**
- ☐ **Printed Photo Proofs**
- ☐ **Digital Photo Files**
- ☐ **Bridal Album**
- ☐ **Parent Album(s)**
- ☐ **Thank You Items (please describe)** \_\_\_\_\_
- ☐ **Video Raw Footage**
- ☐ **Video Final Edited Footage**
- ☐ **Other (please describe)** \_\_\_\_\_

7. **Indicate the services you did not receive under your contract with Celebration Studios:**

- ☐ **Wedding Day Photography Services (☐ 1 or ☐ 2 Photographers)**
- ☐ **Wedding Day Videography Services**



- ☐ **Digital Photo Proof Sheet**
- ☐ **Printed Photo Proofs**
- ☐ **Digital Photo Files**
- ☐ **Bridal Album**
- ☐ **Parent Album(s)**
- ☐ **Thank You Items (please describe)** \_\_\_\_\_
- ☐ **Video Raw Footage**
- ☐ **Video Final Edited Footage**
- ☐ **Other (please describe)** \_\_\_\_\_

8. Did you dispute any payments you made to Celebration Studios with your bank or credit card company? Yes \_\_\_\_\_ No \_\_\_\_\_

9. If your answer to Question 8 is "Yes", please provide the following:

Bank or Credit Card Company: \_\_\_\_\_

Date of Dispute: \_\_\_\_\_ Amount in Dispute: \_\_\_\_\_

Amount of Any Refund or Charge Back: \_\_\_\_\_

10. Have you obtained any other refund, credit or other reimbursement in connection with your contract with Celebration Studios? Yes \_\_\_\_\_ No \_\_\_\_\_

If your answer is "Yes", state the date, amount and person or entity providing the refund, credit or other reimbursement. \_\_\_\_\_

\_\_\_\_\_

11. Have you made any payments to your photographer(s) and/or videographer for your wedding photographs and/or videos? Yes \_\_\_\_\_ No \_\_\_\_\_

If your answer is "Yes," identify the photographer/videographer, the date and amount of payment, and the merchandise received.

\_\_\_\_\_

\_\_\_\_\_

12. Have you submitted a consumer complaint to the New Jersey Division of Consumer Affairs ("Division")? Yes \_\_\_\_\_ No \_\_\_\_\_

13. Please indicate whether you have the following documents:

- ☐ Contract for Services with Celebration Studios
- ☐ Proof of Payment under the Contract (i.e. Credit Card or Bank Statement, Cancelled Check, Receipt)
- ☐ Documents Submitted to Credit Card Company or Bank to Dispute the Charges Under the Contract
- ☐ Proof of Credit Card or Bank Charge Back or Refund
- ☐ Documents Submitted to any other Person to Seek a Refund, Credit or other Reimbursement Under the Contract
- ☐ Proof of any Refund, Credit or other Reimbursement Under the Contract
- ☐ Proof of any Payment made to your Photographer/Videographer for Photographs or Videos
- ☐ Other (please describe) \_\_\_\_\_

14. Have you provided the Division with copies of the above-designated documents? Yes \_\_\_\_\_ No \_\_\_\_\_

If your answer is "No," please provide copies of the documents.

15. Please provide any additional comments: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**I CERTIFY THAT THE FOREGOING STATEMENTS MADE BY ME ARE TRUE. I AM AWARE THAT IF ANY OF THE FOREGOING STATEMENTS MADE BY ME ARE WILLFULLY FALSE, I AM SUBJECT TO PUNISHMENT.**

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

## **EXHIBIT C**

1 photo - Anthony J - [redacted]

1 vid - Bill West [redacted]

celebration  
STUDIOS

Brides Name [redacted]

Groom's Name [redacted]

Wedding Date [redacted]

Bride's Phone Number [redacted]

### Timeline

Circle yes or no next to the event to be photographed

(Where she is getting dressed)

Photographer Arrives At: Bride's Home 10:00 AM/PM

Bride's Cell Phone Number [redacted]

Start time is generally two hours prior to the ceremony.

Brides: Please provide location, phone number with directions.

☒ YES ☐ NO

Invitation (Please have a copy of your unframed invitation)

☒ YES ☐ NO

Bride Alone: Bedroom, Living Room, Outside

☒ YES ☐ NO

Bride with Parents, #, Grandparents, Brothers, Sisters, # of relatives

☒ YES ☐ NO

Bride with Maid of Honor and Bride's Maids, Flower Girl, etc:

# of Bride's Maids 6

\* (Videographer arrives at Ceremony Location, unless notified otherwise) -- arrive with photographer at 1:30 AM/PM

1:30 AM/PM Limo Arrives to pick up the Bride

Ceremony: Please provide location, phone number with directions.

☒ YES ☐ NO

Pre-Ceremony

☒ YES ☐ NO

Groom Alone

☒ YES ☐ NO

Groom and Best Man

☒ YES ☐ NO

Groom, Best Man, Ushers. Number of Ushers 6

☒ YES ☐ NO

Bride being escorted from limo to the wedding location

3:30 AM/PM

Ceremony Starts ☒ No Restrictions, ☐ Restrictions (Please attach)

☒ YES ☐ NO

Ceremony Ends

Receiving Line / Exit

☒ YES ☐ NO

Family returns to Altar for Portraits

☒ YES ☐ NO

Bride and Groom with each set of parents, and then with both sets of parents

☒ YES ☐ NO

Bride and Groom, parents, siblings

☒ YES ☐ NO

Bride and Groom's families with grandparents

☒ YES ☐ NO

Bride and Groom's families with aunts, uncles, cousins, etc.

Bridal Party Portrait at Altar or Outside. (Please circle which location)

AM/PM Bridal & Groom Portraits

☒ YES ☐ NO

Bride Alone

☒ YES ☐ NO

Groom Alone

☒ YES ☐ NO

Bride and Groom Together

☒ YES ☐ NO

Photos at Park Location

Reception: Please provide location, phone number with directions.

AM/PM Cocktail Hour

4:00 AM/PM

Reception Starts

☒ YES ☐ NO

Parent Introductions (Circle: walking in or at table)

☒ YES ☐ NO

Bridal Party Introduction

☒ YES ☐ NO

First Dance

☒ YES ☐ NO

Parent or special dances

☒ YES ☐ NO

Blessing

☒ YES ☐ NO

Toast

☒ YES ☐ NO

Guest Dancing

☒ YES ☐ NO

Cake Cutting

☒ YES ☐ NO

Bouquet and Garter

☒ YES ☐ NO

Head Table Photos. 4 Tables

☒ YES ☐ NO

Goodbye Shot (upon request)

See back of page.

\*Video Interview with the Bridal Party and Immediate Family. ☒ YES ☐ NO

8 AM/PM Reception Ends

Redacted

# CELEBRATION STUDIOS ASSIGNMENT SHEET

Wedding Day/Date:

FRIDAY

Bride/Groom:

[REDACTED]

Start Time/Location:

1130 [REDACTED]

Cell Phone:

[REDACTED]

Ceremony Time/Location:

[REDACTED]

Reception Time/Location:

6:30 - 12:30 [REDACTED]

Photographer(s)/Phone:

Cen. Rojas - [REDACTED]

Videographer(s)/Phone:

Michelle Smith  
Bill West

[REDACTED]

ONLY  
Cen. START AT

12:30  
Groom/Family  
The  
Meet Bob  
Michelle & Bill  
West  
AT  
Church

Video Starts at: Dressing ☒ Ceremony ☐ At: BRIDES House.  
Video: Park Included? Yes ☒ No ☐

## Emergency Procedures:

Bob Ramey 973-978-7603 Rita Rojas 908-930-5475

In the event of a personal emergency (sickness/death in family), call the above emergency phone immediately.  
If you feel that you may be late, due to traffic or poor directions, call the bride with your expected arrival time.  
Allow extra travel time to avoid being late. Watch for high traffic areas, rush hour, holidays, sporting events.

## Standard Procedures

The photographer must call bride by the Wednesday night before the wedding.

This assignment sheet must be returned with digital files, or video in order to be paid.

**PHOTOGRAPHERS:** You are required to carry back up equipment, film and full-strength batteries.

**VIDEOGRAPHERS:** You are required to carry back up equipment, videotapes, and full-strength batteries.

## Work for Hire Terms:

By accepting this work order, you agree to fulfill the above assignment from Celebration Studios, Inc. with a quality and friendly performance. You also agree to be prompt, and to work in accordance with the exact stipulations noted on this agreement. In consideration for work sub-contracted for Celebration Studios, Inc., you agree to responsible in the event of financial loss to celebration Studios, Inc. due to any negligence on your part. At all times, any pictures taken and/or any video footage taken are the exclusive property of Celebration Studios

Special Comments/Requests for Wedding:

[REDACTED]

Redacted

## CELEBRATION STUDIOS ASSIGNMENT SHEET

Wedding Day/Date:

Bride/Groom:

Start Time/Location:

Home Phone:

Ceremony Time/Location:

Cell Phone:

Reception Time/Location:

Groom Cell:

Photographer(s)/Phone:

Videographer(s)/Phone:

Emergency Phone:

Video Starts at: Dressing\_\_\_ Ceremony\_\_\_

Video: Park Included? Yes\_\_\_ No\_\_\_

### Emergency Procedures:

- In the event of a personal emergency (sickness/death in family), call the above emergency phone immediately.
- If you feel that you may be late, due to traffic or poor directions, call the bride with your expected arrival time.
- Allow extra travel time to avoid being late. Watch for high traffic areas, rush hour, holidays, sporting events.

### Standard Procedures

- The photographer must call bride by the Wednesday night before the wedding.
- This assignment sheet must be returned, signed, with film, digital files, or video in order to be paid.
- **PHOTOGRAPHERS:** You are required to carry back up equipment, film and full-strength batteries.
- **VIDEOGRAPHERS:** You are required to carry back up equipment, videotapes, and full-strength batteries.

Main Shooter's Goal: 400 pictures

Second Shooter's Goal: 100 pictures

Videographer's Goal: 3 hours of editable footage

### Work for Hire Terms:

- By accepting this work order, you agree to fulfill the above assignment from Celebration Studios, Inc. with a quality and friendly performance.
- You also agree to be prompt, and to work in accordance with the exact stipulations noted on this agreement.
- In consideration for work sub-contracted for Celebration Studios, Inc., you agree to responsible in the event of financial loss to celebration Studios, Inc. due to any negligence on your part.
- At all times, any pictures taken and/or any video footage taken are the exclusive property of Celebration Studios, Inc.

### Special Comments/Requests for Wedding:

Photographer's/Videographer's Remarks about the wedding day: (use other side if necessary)

Redacted

# Celebration Studios Assignment Sheet

Emergency Phone Number is 201-294-6677

## Bridal Info

Bride [Redacted]  
Groom [Redacted]  
Home Phone [1] [Redacted]  
Work Phone [1] [Redacted]

Ext. [Redacted]

Address 1 [Redacted]  
Address 2 [Redacted]  
City [Redacted]  
State [Redacted]  
Zip [Redacted]

## Wedding Info

Wedding Date [Redacted]  
Bride's House 12:00 PM [Redacted]  
Ceremony 2:00 PM [Redacted]  
Park [Redacted]  
Reception 5:00 PM [Redacted]

1 of 3

Photo Kent Haggadome  
Video Not Applicable

## Photo Needs

Style Of Photography Requested All Styles  
Required # Of Pictures To Take 300-400

You can take more pictures than the required contractual amount, however the client will be charged \$ 1.00 per picture over. We have made them aware of this, but it is your job to notify them when you are about to exceed the required amount. If their contract is unlimited pictures, target for a range of 250 - 300 pictures, of course you can go higher if need be.

Special Needs None

## Video Needs

## Special Notes

- 1) The photographer must call the bride by the wednesday night prior to the assignment.
- 2) This assignment sheet must be returned with the film or video in order to get paid.
- 3) If you are a photographer, you are required to carry back up film (enough for 200 pictures), back up equipment, and back up batteries.
- 4) If you are a videographer, you are required to carry back up video tapes, back up equipment, and back up batteries.

## Subcontractor Contract

I, the undersigned, agree to fulfill the above assignment from Celebration Studios, Inc., with a quality and friendly performance. I also agree to be prompt, and to work in accordance with the exact stipulations noted on this agreement. In consideration for work sub contracted from Celebration Studios, Inc., I agree to be responsible in the event of financial loss to Celebration Studios, Inc., due to any negligence on my part. At all times, any pictures taken and/or any video footage taken, are the exclusive property of the Celebration Studios, Inc. I have read all the above conditions and I agree.

( Photographer/ Date )

( Videographer/ Date )

## Photographer/Videographer's Remarks About The Wedding Day